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In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962

No. 749

BEATTY SAFWAY SCAFFOLD CO.,
Petitioner,

vs.

FP-RIGHT, INC., a Corporation,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

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PRELIMINARY STATEMENT

In this brief we will refer to pages in the brief and petition of petitioner as "P.B. ....." and to the appendix to the petition and brief of petitioner as "P.A. .....".

OPINIONS BELOW

The opinion of the Court of Appeals for the Ninth Circuit is reported at 306 F. 2d 626 and is printed at P.A. 1-13.

The opinion of the District Court for the Northern District of Texas, Dallas Division, in Up-Right and Wallace J. S. Johnson, Plaintiffs, v. Safway Products, Inc., Defendant, and R. D. Warner Co., Inc., Intervenor, Civil Action No. 8102, is unreported but is printed at P.A. 14-15.

JURISDICTION

The jurisdictional requisites are adequately set forth in the petition at P.B. 2.

QUESTIONS PRESENTED

Three questions are presented by petitioner. Questions 1 and 2 are alternative questions as to the right of respondent to maintain suit, and are rephrased as follows:

1. Whether there was sufficient proof that respondent was the assignee of the patent in suit so as to entitle respondent to maintain a suit for infringement in its name alone without the presence of the assignor.

2. Alternately, whether there was sufficient proof that respondent was such an exclusive licensee of the patent in suit so as to entitle respondent to maintain a suit for infringement in its name alone without the presence of the licensor.

The third question presented by petitioner may be rephrased as follows:

3. Whether the Court of Appeals for the Ninth Circuit was correct in holding that the patent in suit was

infringed by petitioner's scaffold when a District Court in the Fifth Circuit held the same patent not to be infringed by a scaffold made by another manufacturer.

STATEMENT OF THE CASE

The present case is a patent infringement action originally brought by Wallace J. S. Johnson and Up-Right, Inc. (the latter being the respondent here) against Beatty Safway Scaffold Co. of Oregon (petitioner here). In the Pre-Trial Order (R. 17) it was agreed that Mr. Johnson was the owner of the patent in suit (R. 17-18) and that Up-Right, Inc., was the exclusive licensee under the patent in suit (R. 18).

After the Pre-Trial Order had been entered, counsel for plaintiffs, Mr. Johnson and Up-Right, Inc., discovered an unrecorded assignment of the patent in suit from Mr. Johnson to Up-Right, Inc., and produced this assignment at the trial before the jury was impaneled (R. 62). The Court thereupon made an order deleting Mr. Johnson as party plaintiff (R. 62). The assignment was then identified as Exhibit 1-B (R. 63).

Mr. Johnson was present at the trial and testified that he had assigned the patent in suit to Up-Right, Inc. (R. 75).

Counsel for respondent during the trial withdrew the assignment and the exclusive license from Mr. Johnson to Up-Right, Inc., so that he could read them in order to see if he wished to cross-examine Mr. Johnson as to the contents of these documents (R. 175-176). These

documents were returned the next day (R. 178) and Mr. Johnson was not cross-examined on them.

The printed record is silent as to when the assignment from Mr. Johnson to Up-Right, Inc., identified as Exhibit 1-B, was admitted into evidence. However, the District Court deputy clerk subsequently made an affidavit to the fact that the unofficial list kept by him at the trial showed Exhibit 1-B was received in evidence. The Clerk of the United States Court of Appeals for the Ninth Circuit made affidavit to the fact that Exhibit 1-B was transmitted from the Clerk of the District Court for the District of Oregon to the Court of Appeals as part of the record in the case. These affidavits were filed with the brief on appeal by Up-Right, Inc., and are reproduced in Appendices A and B to this brief.

As to the third question raised by petitioner, the chronology of the present case and the suit in the Fifth Circuit is as follows:

1. The trial in Up-Right, Inc. v. Beatty Safway Scaffold Co. was held in Portland, Oregon, resulting in a judgment for Up-Right, Inc., that the patent in suit was valid and infringed.

2. The appeal in Up-Right, Inc. v. Beatty Safway Scaffold Co. was argued before the Court of Appeals for the Ninth Circuit, and submitted for decision.

3. The suit in Texas, Up-Right, Inc. et al. v. Safway Products, Inc. et al., came on for trial in Dallas, Texas.

4. In the Texas case, the District Court held the same patent in suit not to be infringed.

5. An appeal was filed by Up-Right, Inc., in the Fifth Circuit, Appeal No. 19,286.

6. The Court of Appeals for the Ninth Circuit affirmed the judgment in Up-Right, Inc., v. Beatty Safway Scaffold Co.

7. The Texas case was argued before the Court of Appeals for the Fifth Circuit on November 14, 1962, and was submitted for decision.

8. To date there has been no decision by the Court of Appeals for the Fifth Circuit.

ARGUMENT

The petition for writ of certiorari should be denied as to petitioner's first two questions on the ground that there is no legal question involved which requires the attention of this Court. As to petitioner's third question, the petition should be denied because the question is not yet ripe.

QUESTIONS 1 AND 2

The Matters Sought to Be Reviewed Here Are Purely Factual.

The crux of the problem presented in petitioner's first and second questions is whether the *facts* of the present case are sufficient to have permitted Up-Right, Inc. to maintain suit alone, either as an assignee or as an exclusive licensee of the patent in suit.

These facts were carefully reviewed by the Court of Appeals for the Ninth Circuit (P.A. 2-5) and it was held that the facts entitled Up-Right, Inc. to maintain suit alone.

There is no question before this Court as to the *legal* requirements for maintaining a suit, since petitioner does not appear to challenge the well-established law that an assignee of a patent may maintain a suit for patent infringement alone, or that an exclusive licensee may maintain a suit for patent infringement alone without joining the licensor, *Waterman v. Mackenzie*, 138 U.S. 252 (1891).

There is no particular public interest here (as contrasted with the private interests of petitioner and respondent) which compels this Court to review the factual determination of this case, and a decision by this Court would have no bearing on any other case unless its facts were precisely as here.

The Decision of the Court Below Is Correct.

As a further reason for denying the petition, we urge that the Court below was entirely correct in deciding that the respondent had sufficient standing to sue alone, and that the Courts below therefore had jurisdiction over the matter.

The facts of the case show that Up-Right, Inc. was an assignee of the patent in suit. The assignment was in evidence, as indicated by the fact that it was transmitted to the Court of Appeals as part of the record of the case and was stamped as being received in evidence during the trial.

Even if it could be considered that the written assignment, Exhibit 1-B, was not in evidence, nevertheless there is oral testimony (R. 75) that the patent in suit had been assigned from Mr. Johnson to Up-Right, Inc. Petitioner made no objection at that time, or at any

other time at the trial (in spite of the fact that petitioner's counsel inspected the assignment during the trial) that such oral testimony was not the best evidence of this transfer of interest. Thus, petitioner has waived any right to raise this issue now, since it is hornbook law that secondary evidence to establish a fact is admissible when no objection is made that existing best evidence should be produced. See, e.g., *Sublett v. Henry's Turk & Taylor Lunch*, 21 C. 2d 273 (1942).

Clearly, the facts of this case show that Up-Right, Inc., was entitled to maintain suit as an assignee of the patent in suit.

However, even if it could be considered that Up-Right, Inc. was not an assignee, yet the record clearly establishes the right of Up-Right, Inc. to maintain suit alone as an exclusive licensee under the patent in suit.

In the Pre-Trial Order, it was agreed that Up-Right, Inc. was an exclusive licensee under the patent in suit (R. 18). Petitioner now argues that the exclusive license was not introduced in evidence. However, the primary purpose of pre-trial proceedings is to agree on facts in order to eliminate cluttering the record with unnecessary evidentiary material. The Trial Court suggested to petitioner's counsel that he could put this license into evidence if he so desired (R. 64). Petitioner's counsel did study the document, but did not seek to establish any proof at the trial to subtract from the unqualified agreement in the Pre-Trial Order that Up-Right, Inc. was an exclusive licensee (R. 18).

Therefore, under the following rule expressed in *Waterman v. Mackenzie*, 138 U. S. 252 (1891), respondent, Up-

Right, Inc., plainly could maintain suit alone, and thus the Trial Court had proper jurisdiction:

> "... The patentee or his assigns may, by instrument in writing, assign, grant, and convey, either (1) the whole patent, comprising the exclusive right to make, use, and vend the invention throughout the United States; or (2) an undivided part or share of that exclusive right; or (3) the exclusive right under the patent within and throughout a specified part of the United States. Id. § 4898. A transfer of either of these three kinds of interests is an assignment, properly speaking, and vests in the assignee a title in so much of the patent itself, with a right to sue infringers. In the second case, jointly with the assignor. In the first and third cases, in the name of the assignee alone."

QUESTION 3

Petitioner in its third question raises the point that there are conflicting opinions from the Court of Appeals of the Ninth Circuit and a District Court in the Fifth Circuit as to the scope of the claims of the patent in suit.

As brought out previously, the judgment of the District Court in the Fifth Circuit has been appealed to the Court of Appeals for the Fifth Circuit, and is presently under submission to that Court. There is, at present, no way of determining what the decision of the Court of Appeals for the Fifth Circuit may be, and it may well be that there will be no conflict at all between the Fifth and Ninth Circuits as to the scope of the claims of the patent in suit. Accordingly, it is not seen that any grounds exist for a present review of this matter by this Court.

CONCLUSION

For the reasons expressed above, the Petition for Writ of Certiorari should be denied.

Dated, San Francisco, California,
February 8, 1963.

Respectfully submitted,

OSCAR A. MELLIN,
Attorney for Respondent.

(Appendices A and B Follow)